



Division of Insurance

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FOR IMMEDIATE RELEASE

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CONSUMER ALERT – LIMITED BENEFIT MEDICAL PLANS

Denver – As the health insurance landscape continues to evolve, it is crucial that consumers understand that not all health insurance products are the same. “We encourage consumers to confirm the specific coverage and benefits of a health insurance plan before you buy,” said Commissioner of Insurance Jim Riesberg.

What Is a Limited Medical Benefit Insurance Plan or Mini-Med Plan?

A Limited Medical Benefit Insurance or Mini-Med plan is NOT comprehensive major medical health insurance. Unlike a traditional insurance policy, with a Mini-Med plan, there’s no limit to how much you might have to pay for medical expenses. Not all Mini-Med plans are the same. Some offer a very low level of health insurance coverage. If you have too little insurance, you increase the risk you’ll have to borrow money, or face bankruptcy from a costly illness or injury. Most limited medical benefit or mini-med plans limit the annual amount they will pay for medical expenses, leaving you responsible for the rest.

These plans come in many varieties so *READ THIS ALERT AND SHOP CAREFULLY BEFORE YOU BUY.*

How Do I Know If I’m Buying a Limited Medical Benefit or Mini-Med Plan?

These plans are often sold as an inexpensive alternative to major medical health insurance. Some common phrases often found in advertising for Limited Medical Benefit or Mini-Med plans are:

- Real Health Insurance
- Guarantee Issue or Acceptance
- No Pre-Existing Conditions
- Premium Offer is Only Good For Limited “Open Enrollment” Period
- Designed to Pay for Smaller, More Common Claims
- Affordable Health Insurance

Look past these sales pitches. Before you buy, be sure the policy offers the benefits and protections important to *you*.

Ask the agent:

- For the full name and address of the insurance company underwriting the coverage.
- For his/her full name, address and National Producer Number. **Be sure the agent is licensed in your state and appointed by the insurance company. To find out, click [here](#) and go to “Find a Licensed Producer or Company.”**
- For a written outline of coverage.
- To fully explain how much of your monthly cost is actual insurance premium vs. other fees and charges.
- To fully explain all insurance benefits, limits, and exclusions.

What Do I Look Out For?

- Offers for health coverage that MIGHT NOT BE INSURANCE
- Offers that require you to join an Association you’re not familiar with, in order to get the coverage.
- Unsolicited calls, emails, or faxes.
- Any annual limits on what the policy covers.

Many people and companies that promise health insurance for a low price don’t intend to provide coverage. Some warning signs are:

- Medical Discount Card or Pharmacy Discount Card that are sold as insurance.
- Terms like “Innovative” and “Cost Effective.”
- Ads or websites that use the terms listed in this alert.

For a sample of an advertisement for a limited benefit plan, [click here](#). For more information on discount health plans, [click here](#).

If you have doubts or questions, or if it seems too good to be true, contact the Consumer Affairs Section of the Colorado Division of Insurance at 303/894-7490 or go to our website at www.askdora.colorado.gov and click on “Division of Insurance”.

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*The **Colorado Division of Insurance** regulates the insurance industry and assists consumers and other stakeholders with insurance issues.*

DORA is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado. Consumer protection is our mission.